

2/21/92

Bill Mussur - McNair
603-799-9800

(.1.)

Has Original Assignment from Amseco →

Land Swap with Bowater
Like kind Property Exchange -

Has not seen Rec Inf. 1282 Prod,
Deed from Bowater for land
reserv mineral -

Req to take with him to mine

Brake Hill
Land files



10755244

Need Assign
from Amselco to
GUSA for
this lease

Bill Musser
803-799-9800

Deed which
Apparently
Has Not been
Recorded

Dorothy Helms
McNair

Handled Record
matters

THIS EXPLORATION
as "Lease"), made
NOVEMBER

between SCOTT
qualified to
(hereinafter r

Delaware corporation, duly qualified to conduct business in the State of South Carolina (hereinafter referred to as "Mead"), Mead and Scott conducting business in the State of Georgia in the name and style of BRUNSWICK PULP LAND COMPANY, the mailing address of which is P. O. Box 860, Brunswick, Georgia, 31521, all of which are hereinafter collectively referred to as "Brunswick"; and AMSELCO MINERALS INC., a Delaware corporation, the office and mailing address of which in South Carolina is 1112 Mill Street, P. O. Box 891, Camden, South Carolina 29020, and which is duly qualified to conduct business in the State of South Carolina (hereinafter referred to as "Amselco");

W I T N E S S E T H:

WHEREAS, Brunswick owns certain real property situated in McCormick County, South Carolina, known as the "Barite Hill Prospect", and which is more particularly described in Appendix 1, attached hereto, incorporated herein and by this reference made a part hereof; and

WHEREAS, Amselco is conducting a minerals exploration program in the vicinity of the Barite Hill Prospect; and

WHEREAS, Brunswick and Amselco desire to enter into an agreement pursuant to which Brunswick shall grant to Amselco an exploration and mining lease of the Barite Hill Prospect;

NOW, THEREFORE, in consideration of the first year's rental payment of \$10,000.00 paid to Brunswick by Amselco in accordance with Subsection 5(a) of this Lease, the receipt and adequacy of

Barite Hill Lease: FML070185/DJD032587/DJD072787/DHS111187

which are hereby acknowledged by Brunswick, and the payments, obligations, representations and agreements hereinafter set forth, the parties agree as follows:

1. Grant of Lease. Brunswick does hereby lease, let and demise exclusively unto Amselco, its successors and assigns, on the terms and conditions and with the rights and privileges hereinafter set forth, all of the right, title and interest Brunswick now has, or hereafter acquires, in and to those certain tracts of land lying and situate in the County of McCormick and the State of South Carolina, known as the "Barite Hill Prospect". Such tracts of land, including the entire and undivided fee simple estate in the surface and minerals, together with all of the rights, privileges and easements thereto incident and together with any other tracts of land described in Appendix 1 hereto, subject to the exceptions listed in Appendix 1 hereto, are hereinafter referred to collectively as the "Leased Property". The Leased Property also includes any tracts of land, or surface or mineral estates in tracts of land which are acquired by Brunswick by any means after and as the result of the identification of lands omitted by survey but found to be part and parcel of the Barite Hill Prospect or wholly surrounded by tracts of land described in Appendix 1 hereto.

2. Exploration and Mining Rights. Brunswick grants and conveys to Amselco the sole and exclusive right and privilege to explore and prospect for, develop, leach in place, mine (by any surface or subsurface method), treat, mill, prepare for market, store, market, ship, and remove from the Leased Property for its own account, all ores, minerals and mineral products containing metals and excepting only coal, lignite, peat, oil, gas and all other solid, liquid and gaseous hydrocarbons and geothermal steam and associated resources, including heat, upon, within or beneath the Leased Property. The above-described ores, metals, minerals and mineral products subject to this Lease are

Barite Hill Lease

G.P.

hereinafter referred to as the "Subject Minerals". Subject to Amselco's rights as set forth below in this Section 2, Brunswick reserves all earth, soil, clay, sand, gravel and stone and timber and other forest products on or upon the Leased Property together with the right to use the surface, including but not limited to the right of access to the Leased Property, and the right to grant access to the Leased Property to third parties, provided that Brunswick and its licenses shall not unreasonably hinder or interrupt Amselco's operations. Brunswick reserves the right to grant leases, permits or licenses to any portion of the surface of the Leased Property to any third party, including persons or entities providing public and private utility services, provided said use does not unreasonably interfere with Amselco's operations under this Lease. Brunswick hereby reserves the right to explore for, develop and remove hydrocarbons and the other substances excluded from the above definition of "Subject Minerals", and to use the surface and subsurface of the Leased Property for such activities, provided that Brunswick shall not unreasonably hinder or interrupt Amselco's operations under this Lease. Brunswick shall have the right to grant leases, permits or licenses to any third party or parties for some or all of the above resources and activities, on the condition that such leases, permits or licenses shall be subject to the limitation that activities thereunder shall not unreasonably hinder or interrupt Amselco's operations under this Lease.

Brunswick also grants and conveys to Amselco, subject to Subsection 22(f) of this Lease, the right to enter upon and occupy the Leased Property with workmen, structures and equipment; the right to construct, use, maintain, repair, replace and relocate buildings, roads, tailings ponds, waste dumps, ditches, pipelines, power and communication lines, structures, mills, processing facilities, utilities and other improvements and facilities reasonably required by or useful to Amselco for the full enjoyment of the Leased Property for the purposes set forth in this Lease; the right to use so much of

Barita Hill Lease

the Leased Property as may reasonably be necessary, convenient or suitable for the storage and/or permanent disposal of wastes, residues, tailings or other by-products of development, production or other operations on the Leased Property; the right to use easements and all rights-of-way for ingress and egress to and from the Leased Property to which Brunswick may be entitled; the right to use timber, soil, rocks, sand, clay, gravel, stone, earth and water from or appurtenant to the Leased Property (to the extent Brunswick can lawfully grant such right) if necessary or desirable for Amselco's exploration, development or mining operations on the Leased Property, pursuant to Section 22 of this Lease; the right to drain through and from the Leased Property and to draw into any course in, upon or under the Leased Property any water from operations conducted thereon or on other properties owned, worked or leased by Amselco; the free and uninterrupted right of Amselco and its authorized agents of ingress and egress to, through, under, upon and from the Leased Property for said purposes; the privilege of moving materials of every kind across, under or through the Leased Property, of moving such materials from the Leased Property to other lands in the area and of milling and preparing for market ores, metals, minerals and mineral products containing Subject Minerals derived from the Leased Property or from other lands in mills or plants on the Leased Property or on other lands, separately or commingled, as Amselco may elect; and all other rights and privileges of any nature necessary or convenient in order to exercise any of Amselco's rights hereunder.

3. Term and Extension. Unless sooner terminated as hereinafter provided, this Lease shall remain in full force and effect for a primary term of five (5) years commencing on the Date of this Lease and for so long thereafter as Amselco continues to make Advance Minimum Royalty or Production Royalty payments to Brunswick, whichever is appropriate under the terms of this Lease.

Barite Hill Lease

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88 2nd 15
89 —

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92 - 20K
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4. ~~Lease Commitment~~ Amselco agrees to perform or have performed on the Leased Property a minimum of two thousand (2,000) feet of exploration drilling within two (2) years of the Date of this Lease.

5. Annual Payments. While this Lease remains in effect, Amselco agrees to pay annually to Brunswick the amounts set forth in this Section 5. Such payments are for the entire and undivided fee simple mineral estate in the Leased Property or in Subject Minerals, as the case may be, and if Brunswick owns less than such entire and undivided fee simple mineral estate in the Leased Property or in the Subject Minerals, then, subject to the exceptions listed in Appendix 1 hereto, the provisions of Section 13 of this Lease shall apply. For all purposes of this Lease, the term "Lease Year" shall mean one (1) full calendar year commencing on the Date of this Lease or on the applicable anniversary of the Date of this Lease.

(a) Rental Payments. Amselco shall pay Brunswick the total sum of \$25,000.00 as rental payment (hereinafter referred to as "Rental Payment"), without regard to Amselco's right to terminate this Lease pursuant to Section 9, the obligation to pay the whole of the \$25,000 sum to survive any such termination of this Lease. Of the total sum of \$25,000.00, Amselco shall pay Brunswick the sum of \$10,000.00 upon the execution of this Lease by the parties, such amount constituting the Rental Payment for the First Lease Year; Amselco shall pay Brunswick the sum of \$15,000.00 on or before the first anniversary of the Date of this Lease, such amount constituting the total Rental Payment for the Second, Third, Fourth and Fifth Lease Years, inclusive. Rental Payments shall not be recoverable by Amselco from Production Royalty payments made to Brunswick.

(b) Advance Minimum Royalty Payments. Subject to Amselco's right to terminate this Lease pursuant to Section 9, Amselco shall pay Brunswick an annual advance minimum royalty (hereinafter referred to as "Advance Minimum Royalty") on or before the applicable Lease Year as follows:

Barite Hill Lease

<u>Lease Year</u>	<u>Advance Minimum Royalty</u>
Sixth Year and annually thereafter	\$20,000.00

All Advance Minimum Royalty payments made pursuant to this Lease shall be subject to the provisions of Subsection 6(d) of this Lease, and shall also be subject to escalation based on the Implicit Price Deflator in the manner set forth in Subsection 6(a) of this Lease.

6. Production Royalty.

(a) Amselco shall pay Brunswick a perpetual, nonparticipating production royalty (hereinafter referred to as "Production Royalty") of a variable percentage of the "Gross Return" received by Amselco from any portion of the Leased Property and sold or taken by Amselco pursuant to this Lease, as follows:

<u>Quarterly Average Gross Return Per Short Ton of Ore Mined By Underground Methods</u>	<u>Quarterly Average Gross Return Per Short Ton of Ore Mined By Surface Methods</u>	<u>Producti Royalt Percenta</u>
\$ 0- 89.99	\$ 0- 29.99	4%
\$ 90-109.99	\$ 30- 79.99	5%
\$110-129.99	\$ 80- 99.99	6%
\$130-159.99	\$100-129.99	7%
\$160-189.99	\$130-159.99	8%
\$190 and over	\$160 and over	9%

The variable Gross Return (as defined above) shall be determined in the following manner: the "Quarterly Average Gross Return Per Short Ton of Ore Mined," by underground or surface mining methods, as appropriate, shall be calculated for all ore containing Subject Minerals sold by Amselco from the Leased Property during the applicable calendar quarter. The "Quarterly Average Gross Return Per Short Ton of Ore Mined" shall mean the Gross Return received by Amselco divided by the number of short tons of ore containing Subject Minerals extracted from the Leased Property which resulted in Subject Minerals being sold by Amselco during the applicable calendar quarter.

Barite Hill Lease

Direct or Grantor Index to Deeds, McCormick County, S. C.

Refer to SUB-INDEX in front portion of Book for Alphabetical Arrangement and Page Reference to Names in this Index

Date of Execution	Date of Record	GRANTORS FAMILY NAMES	GIVEN NAMES ABCDEFGH	GIVEN NAMES IJKLMNO	GIVEN NAMES PQRSTUWXYZ	GRANTEES	Book	Page	No. of Acres
1783 11-17	1783 12-7	Asmact	Betty Mc, et al			Wauter, John M, Jr.	65	56	.80
1788 2-2	1789 2-2	AMSELCO Minerals, Inc.				Hawk Resources (USA)	89	106	
1788 2-2	1789 2-2	Do				GWALIA (USA) LTD.	89	107	

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02/19/82 16:15

1005

CO

NEVADA GOLDFIELD 2187

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02/19/92

Date of Execution	Date of Record	GRANTORS FAMILY NAMES	GIVEN NAMES ABCDEFGH	GIVEN NAMES IJKLMNO	GIVEN NAMES PQRSTUVWXYZ	GRANTEES	Book	Page	No. of Acres	BRIEF
1961 5/19	1961 5/26	CATANBA TIMBER COMPANY				J. L. Fennell and C. W. Kinard	23	440	2	T5act 389
1973 5-1	1974 5-1	do do	do			Seahound Cement R.R. Co.	36	165		Agreement
1975 10-1	1975 12-5	Catawba Newsprint Co.				U.S. of America	39	202		Easement
1978 4-28	1978 5-21	do	do	do		Colonial Pipeline Co.	46	79		A.C.D. Co.
1980 1-18	1980 2-11	do	do	do		Greenwood Mills	50	97	252.93	Quit Claim
1980 10-2	1981 11-14	do	do	do		Mt. Moriah Baptist Church	53	27	11.40	
1980 11-17	1981 2-20	do	London Co.			Hart, John M. & Sara S.	54	14		Boundary Line
1981 11-18	1981 2-20	do	do	do		Wall, James R. & Helen F.	54	15		Boundary Line
1981 4-29	1981 8-6	Catawba Newsprint Co.				U.S. of America	56	72		Easement
1989 6-29	1989 9-6	do	do	do		S.C. Dept. of Highway and Public Transportation	91	113		Right of Way
1991 3-1	1991 4-23	Catawba Timber Co.				Bowater, Inc.	99	45		Affidavit & Mergers & Name Cha
1991 1-2	1991 11-21	Catawba Newsprint Co.				Calhoun Newsprint Co.	101	160		

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Name and refer to Buff Sub-index sheet for page reference.

Date of Execution	Date of Record	GRANTEES FAMILY NAMES	GIVEN NAMES ABCDEFGHIH	GIVEN NAMES IJKLMNOP	GIVEN NAMES QRSTUVWXYZ	GRANTORS	Book	Page	No. of Acres	
1988	1989									
10-25	2-2	GWALIA (USA) LTD.				AMSECO MINERALS	89	107	Relat	Assignm other Pr
1489	1489					(etal)				let 7 u
7-10	8-9	Do Do Do				Buzhardt, Imogene	91	57	Relat	J.P. t
1989	1989									Exch
7-8	9-8	Do Do Do				United States (Forest Serv)	91	123		
1990	1991									
7-17	1-24	Do Do Do				Oxon, Virginia M.	97	198		Hand Ex
1990	1991					Butte W.				Hand Ex
7-17	1-24	Do Do Do				Oxon, Virginia M.	97	199		Hand Ex
1990	1991									Hand Ex
7-17	1-24	Do Do Do				Bainford and Sons	97	200		Hand Ex
1990	1991									Hand Ex
7-12	1-24	Do Do Do				Bowater Incorporated	97	201		Hand Ex
1989	1991									memor
10-30	2-4	Do Do Do				Bowater Inc.	97	220		1993 E

2/28/9

Bill Mussum - McNa.
Brunswick / Amselec Expl lease -
Talked to Richard Pierce, Atty
KCC - Correct call is
Bk 85, not 80.

Amselec Atty will send Cty Rec. a
letter to be recorded making correct.

Kitty 465-2195 Clerk of Courts